

State of California



Fair Political Practices Commission

P.O. BOX 807 • SACRAMENTO, 95804 ••• 1100 K STREET BUILDING, SACRAMENTO, 95814

Technical Assistance
(916) 322-5662

• • Administration • •
322-5660

• • Executive/Legal • •
322-5901

• • Enforcement
322-6441

November 2, 1984

Mary S. Burdick
Executive Director
Western Center on Law & Poverty, Inc.
3535 West Sixth Street
Los Angeles, CA 90020-2898

Re: Our File No. A-84-221

Dear Ms. Burdick:

Enclosed please find the October 1984 issue of the Commission's Lobbying Newsletter (Vol. 6, No. 2). The article appearing on page 5 of the Newsletter entitled "Change in Lobbyist Employer Reporting: Reporting Payroll Taxes and Routine Fringe Benefits," revises the information I provided to you in my letter of September 17, 1984, which stated that lobbyist employers must report payroll taxes and fringe benefits on the Report of Lobbyist Employer (Form 650). The staff's revised advice, as outlined in the Newsletter, is that such payments are not reportable.

Please let me know if you have any questions regarding the new policy.

Sincerely,

Carla Wardlow

Carla J. Wardlow
Political Reform Consultant

Enclosure

State of California



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September 17, 1984

Mary S. Burdick
Executive Director
Western Center on Law & Poverty, Inc.
3535 West Sixth Street
Los Angeles, CA 90020-2898

RE: Our File No. A-84-221

Dear Ms. Burdick:

Thank you for your letter of August 22, 1984, requesting information concerning the lobbying disclosure provisions of the Political Reform Act (Government Code Sections 81000-91014).

In answer to your first question, when an employee who qualifies as a lobbyist also performs duties for his or her employer which are not in connection with influencing or attempting to influence legislative or administrative action, both the lobbyist and the employer should report only those amounts paid to the lobbyist which are attributable to lobbying. The disclosure statements filed by the lobbyist and the employer should indicate that the amounts reported have been allocated based on time spent lobbying, and documentation showing the method of allocation must be maintained in the employer's records.

Your second question asks if lobbyists and employers must report the value of fringe benefits. When reporting payments made to or received by a lobbyist (Form 650, Part II.A. and Form 620, Part II), routine fringe benefits, such as the employer's contributions to a health plan, retirement plan or payroll taxes should not be included. Fringe benefits which are in lieu of wages, such as the granting of stock options or purchase of annuities, are includable when reporting payments made to or received by a lobbyist. However, lobbyist employers are required to report payments to the Internal Revenue Service and Franchise Tax Board for payroll taxes and payments for the employer's share of Social Security and other employee benefits on the Form 650 as a lump sum amount under Part II, D, Line 2--"Other Payments (including office overhead and operation costs)." The amount reported should not include any portion which represents employee

Mary S. Burdick
September 17, 1984
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income tax withholding or the employee's share of Social Security, etc. Please note that these amounts should also be allocated based on the amount of time spent on lobbying activities if the individual is not a full-time lobbyist.

I hope the foregoing information is helpful. Please let me know if you need any further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Carla J. Wardlow". The signature is written in dark ink and is positioned above the typed name.

Carla J. Wardlow
Political Reform Consultant

CW:bb

3535 W. Sixth Street • Los Angeles, CA 90020-2898 • (213) 487-7211

August 22, 1984

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BARBARA MILMAN, General Counsel
Fair Political Practices Commission
P.O. Box 807
Sacramento, California 95804

Dear Ms. Milman:

I attended the seminar in Sacramento on July 18, 1984 at which the FPPC discussed its new reporting forms for lobbyists and employers of lobbyists, and discussed the 1984 Information Manual for Lobbying Disclosure Provisions of the Political Reform Act.

I have two questions to which I would appreciate a response in writing. The first question is:

"If an employer hires an employee to perform a number of tasks for the employer, only one of which is to attempt to influence legislative or administrative action (i.e., to engage in 'lobbying activity', as defined by the FPPC) should the employer report on Form 650, Part II, A, and the employee report on Form 620, Part II, the full amount of the employee's total salary, or the proportion of the employee's total salary which is attributable to time spent by the employee on 'lobbying activities'?"

I posed this question orally at the July 18 seminar. Robert Leidigh answered that the proper entry on those forms would be the proportional amount of the salary. I would appreciate written confirmation of that response.

My second question was not raised at the July 18 meeting. That question is:

"Should employers or employees report the value of fringe benefits, and if so on what line of which form should that information be reported?"

Thank you very much for your assistance.

Very truly yours,

Mary S. Burdick

MARY S. BURDICK, Executive Director

MSB:mlh

cc: Robert Leidigh, Rudolfo Aros, Phil Henderson

Northern California Office • 1900 "K" St. • Suite 200 • Sacramento, CA 95814 • (916) 442-0753

Rudolfo C. Aros, Director • Casey McKeever • Peter H. Schillo

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August 28, 1984

Mary S. Burdick
Executive Director
Western Center on Law and
Poverty, Inc.
1900 K Street, Suite 200
Sacramento, CA 95814

Re: A-84-221

Dear Ms. Burdick:

Your letter requesting advice under the Political Reform Act has been referred to our Technical Assistance and Analysis Division.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex questions, or unless more information is needed to answer your request, you should expect a response within 21 working days.

Very truly yours,

Barbara A. Milman
Barbara A. Milman
General Counsel

BAM:plh